



**TEXAS**  
Health and Human  
Services

**Texas Health and Human Services Commission**

Dr. Courtney N. Phillips  
*Executive Commissioner*

## **SETTLEMENT AGREEMENT**

### **I. JURISDICTION**

The Texas Health and Human Services Commission (HHSC), Division of Child-Care Licensing (Licensing), is responsible for regulating childcare as provided Texas Human Resources Code (HRC) Chapter 42 (Act) and the HHSC rules found in 26 Texas Administrative Code (TAC) Chapters 745 and 748 (Rules). Children's Hope Residential Services Inc. (referenced herein, Children's Hope) operates a general residential operation – residential treatment center at 2402 Canyon Lake Drive, Lubbock, Texas 79415-2000 (referenced herein, Children's Hope RTC –Lubbock), which is subject to Licensing's regulation under the aforementioned Act and Rules.

### **II. PARTIES**

The parties to this agreement are Licensing and Children's Hope, the permit holder of Children's Hope RTC –Lubbock, Operation # 1423046.

### **III. BACKGROUND**

On April 26, 2013, Licensing issued permit # 1423046 to Children's Hope for the operation of Children's Hope RTC - Lubbock. The issuance of that permit subjected the operation to regulation by HHSC minimum standards, statutes, rules, and any other law governing the issued permit. Texas Human Resources Code §42.072(a) authorizes Licensing to take adverse action, including revocation, against the permit of operation that does not comply with the minimum standards, rules, Chapter 42 of the Texas Human Resources Code, or the specific terms of the permit. Furthermore, 26 TAC §745.8605 lists several reasons that Licensing may take an enforcement action against an operation. In turn, 26 TAC §745.8654 describes when Licensing may revoke a permit for an issue identified in 26 TAC §745.8605.

In a letter dated December 19, 2019, Licensing informed Children Hope of its intent to revoke permit # 1423046. Licensing addressed this letter specifically to Katherine Diane Jones, the administrator for Children's Hope RTC –Lubbock. In this letter, Licensing described its application of 26 TAC §745.8605 and §745.8654 to deficiencies that Licensing had cited while inspecting and investigating the operation. As cited in the letter, Children's Hope had the right to request an administrative review of Licensing's intent to revoke, and Children's Hope subsequently requested an administrative review. As of the date of this agreement, the administrative review has not occurred. In the event that the revocation were upheld at the administrative review level, the operation would have the opportunity to request a due process hearing before the State Office of Administrative Hearings in order to challenge the revocation.

[Settlement Agreement for Children's Hope RTC - Lubbock]

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#### **IV. SETTLEMENT**

In order to resolve this matter and to avoid the uncertainty and expense of litigation, the parties agree to resolve this matter according to the following terms and conditions:

1. Children's Hope will relinquish the permit for Children's Hope RTC -Lubbock, Operation #1423046.
2. Children's Hope waives its right to an administrative review to challenge Licensing's intent to revoke the permit for Children's Hope RTC -Lubbock, Operation # 1423046.
3. Licensing will withdraw its Intent to Revoke the permit to operate Children's Hope RTC -Lubbock, Operation # 1423046.
4. The following may not apply for a new permit of any type issued by HHSC to operate a child-care operation regulated under Human Resources Code Chapter 42 before the fifth anniversary date of this agreement:
  - a. Children's Hope;
  - b. Any other business entity formed by or associated with Children's Hope; or
  - c. An executive, an officer, or a board member of Children's Hope or any person who either alone or in connection with others has the ability to influence or direct the management, expenditures, or policies of the operation or business entity formed by such a person.
5. This agreement does not waive Licensing's right to enforce this agreement or to seek remedies against Children's Hope for any violations of any laws governing Children's Hope RTC -Lubbock, Operation # 1423046 or any other permits that Children's Hope currently holds or may hold in the future.

#### **V. COMPLETE AGREEMENT**

This agreement is made pursuant to Chapter 2001 of the Texas Government Code § 2001.056(2), and the procedural rules adopted by the Department. This agreement represents the complete settlement of all matters as described in section "III. Background."

[Settlement Agreement for Children's Hope RTC - Lubbock]

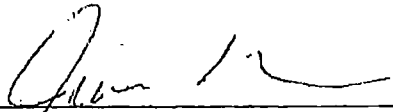
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**VI. COMPLETE UNDERSTANDING**

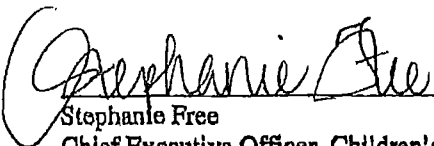
The Petitioner acknowledges understanding of the terms of this settlement agreement, enters into the settlement agreement freely, and agrees to all the terms of this settlement agreement.

Agreed to and effective the date of the last signature by a party to this agreement.

Approved by:

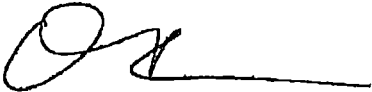
  
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Jean Shaw  
HHSC Associate Commissioner of Childcare Licensing

Date: February 27, 2020


  
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Stephanie Free  
Chief Executive Officer, Children's Hope

Date: 2.27.2020

Approved as to Form:

  
\_\_\_\_\_  
Douglas Barnes, Esq.  
HHSC Attorney for Childcare Licensing

Date: February 26, 2020

  
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Norman Ladd, Esq.  
Attorney for Children's Hope

Date: 2/27/20